

SENATOR SAVAGE: Would you respond, Senator Labeledz.

SENATOR LABEDZ: Yes, I would, Mr. Chairman. First of all the present homestead exemption you have to reach the grand age of 65 years of age. Then you have to qualify... income limitations. The present homestead law is \$3200 for a single person, \$4,350 for a married couple one over 65, and \$4800 for both over 65. At the age of 64 you go to the county assessor, you file a form, listing the qualifications and your income and the description of the lot, so forth, a complete application. I do have a copy of that here. You do have to meet the income qualifications before you can even file. After the form is filed, and it's on the first \$15,000 of your home, in other words if you have a \$30,000 home, only the first \$15,000 is tax exempt 100 percent if you meet the income guidelines. The exemption application is sent to the Department of Revenue. The Department of Revenue has a great system where your social security number is punched in, they check as far as your income tax return for the previous year. If you fall under the \$4800, the \$4350, or the \$3200 you are eligible for the homestead exemption. If you do not, it is stamped rejected and sent back to the county assessor. The money that is granted in exemptions to the residents is reimbursed by the state. Are there any other questions you have on that?

SENATOR CULLAN: Senator Labeledz, I have one more question. Every household in the State of Nebraska, as I understand, can get some kind of an exemption too. Is that also under the existing legislation and what are the maximums there?

SENATOR LABEDZ: Yes, that's right. I forgot to tell you that the applicant for the homestead exemption, or one over 65, only files for that once, then it's an ongoing thing. You and I, if we live in our own home and reside there permanently all year round, it does not include summer homes or homes that you rent out, also receive a homestead exemption, it amounts to between \$25 to \$30. That is at a cost to the state of approximately \$6 million.

SENATOR CULLAN: Senator Labeledz, now I'm going to ask a question with respect to your opinion. I appreciate, very much, the background that you're giving me because I was not aware of how this has worked. What is the value or the real reason for the \$25 to \$30 exemption for the average person? To me it doesn't appear to be enough to really do anything for an individual, and yet it costs the state \$6 million. Do you think that's necessary? Is that retained in your new bill?

SENATOR LABEDZ: I'm not going to say that it isn't necessary. There are probably a lot of people that don't even know that they receive this because it's an ongoing thing also. You only file for it once. They do send you out a form every year and ask you that if you have moved, or possibly are renting out that home you should so indicate and then that homestead exemption would stop. Evidently the Legislature, when they passed the bill for the elderly, felt that the young people are having just as much problem maintaining their home and the taxes are high, so they granted an exemption to everyone that lives in their own home. It's called a homestead exemption, and they granted that to the homesteader. I don't think it's very much. But